

## PAY ADMINISTRATION

**1. REASON FOR ISSUE:** To revise Department of Veterans Affairs (VA) policy regarding the payment of lump-sum annual leave for full-time physicians, dentists, podiatrists, chiropractors and optometrists subject to the daily leave system of title 38.

**2. SUMMARY OF CONTENTS/MAJOR CHANGES:**

a. This handbook contains mandatory procedures on pay administration. The pages in this handbook replace the corresponding page numbers in VA Handbook 5007. These changes will be incorporated into the electronic version of VA Handbook 5007 that is maintained on the [Office of Human Resources Management and Labor Relations Web site](#).

b. Effective January 8, 2006, VA Handbook 5011, Hours of Duty and Leave, revised policy for annual leave accrual and leave charges for full-time physicians, dentists, podiatrists, chiropractors and optometrists subject to the daily leave system of title 38. Under the revised policy, leave is not charged on non-duty days although affected employees will continue to receive pay for such days. In order to ensure separated employees receive the same pay they would have received had they remained employed at VA until the expiration of their accumulated annual leave, policy is now being revised to increase the payment rate for lump sum annual leave to 1.4 days pay for each day of annual leave. With this change, affected employees will receive the benefit of 7 days of pay for each 5 days of annual leave effective January 8, 2006. Annual leave in "frozen accounts" will continue to be paid on a day-for-day basis.

**3. RESPONSIBLE OFFICE:** The Compensation and Classification Service (055), Office of the Deputy Assistant Secretary for Human Resources Management and Labor Relations.

**4. RELATED DIRECTIVE:** VA Handbook 5007, Pay Administration.

**5. RESCISSIONS:** None.

**CERTIFIED BY:**

**BY DIRECTION OF THE SECRETARY  
OF VETERANS AFFAIRS:**

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**PART IV  
CHAPTER 3****2. PAYMENT PROCEDURES**

a. [Employees subject to the hourly leave accrual system of title 5 or title 38 will receive a lump-sum payment equal to the pay they would have received had they remained employed in VA until the expiration of the accumulated and accrued annual leave to their credit.]

b. [Full-time physicians, dentists, podiatrists, chiropractors and optometrists subject to the daily leave system of title 38 will receive 1.4 times their daily rate of pay for each day of annual leave to their credit.

**NOTE:** Annual leave payments made to full-time physicians, dentists, podiatrists, chiropractors and optometrists who became eligible for lump sum payments prior to January 8, 2006, and annual leave in frozen leave accounts as of January 8, 2006, will be paid at a rate of one day of pay for each day of annual leave.]

c. [The period of leave used for calculating the lump-sum payment will not be extended by]:

(1) [Any holidays which occur immediately after the date the employee becomes eligible for a lump-sum payment;]

(2) [Annual leave donated to an employee under the leave transfer or leave bank programs;

(3) Compensatory time off; or

(4) Accumulated credit hours.]

d. [For an employee on a mixed tour (see paragraph 6c under definitions) in VA, a lump-sum payment will be made to that employee when he or she is assigned to a period of intermittent duty.

e. The amount of a lump-sum payment will be determined in the following manner:

(1) A lump-sum payment must be computed based on the types of pay in effect at the time an employee becomes eligible for a lump-sum payment.

(2) Appendix IV-B contains a list of the types of pay and pay adjustments, as applicable, [which] must be included in a lump-sum payment.

f. Firefighters on uncommon tours of duty who separate from Federal employment with accumulated annual leave will have their leave balances paid out according to their regular tours of duty. (See chapter 3, part IV of this handbook.)

(1) For firefighters who generally work 24-hour shifts, leave balances will be paid out at the 2,756-divisor rate, including overtime for regularly scheduled hours in excess of 53 hours in an administrative week. For example, a firefighter with 100 hours of accumulated annual leave will have the hours paid out according to the scheduled tour. If the first scheduled tour following the separation would be a 72-hour

week, the firefighter would receive 53 hours of leave at the 2,756-divisor straight-time rate, and 19 hours of leave at the 2,756-divisor overtime rate. Any remaining accumulated annual leave would be paid out in subsequent weeks in the same manner.

(2) For firefighters with a basic 40-hour workweek, accumulated annual leave will be paid out at the 2,087-hour divisor for hours that correspond to the basic 40-hour workweek, with the remainder of the regularly scheduled tour of duty paid at the 2,756-divisor rate. Hours over 40 will be paid at the 2,756-divisor straight time rate up to 53, with all remaining hours paid at the applicable overtime rate.]